

bae urban economics

Economic and Demographic Existing Conditions Report

Prepared for the City of Soledad

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SUMMARY FINDINGS

Located in the heart of the Salinas Valley, Soledad is a small but growing city with a rich history and a vibrant community character. The local economy has historically been structured around the agricultural sector and two major State of California correctional facilities located within the city boundaries, but Soledad is also the nearest community to the west entrance of Pinnacles National Park and has gained recent momentum as hub for retail and service businesses catering to both local residents and residents from neighboring communities in the Salinas Valley.

As Soledad looks to the future, the City has initiated the process of updating its General Plan to guide growth and development through 2045. This background economic and demographic existing conditions report has been prepared to inform the General Plan update and ensure that proposed land use strategies, infrastructure investments and related planning efforts are grounded in sustainable economic, demographic, and real estate market factors.

Described in full detail in the body of this report, the following key findings summarize the demographic, economic and real estate market conditions and trends presented in this report.

Demographic Characteristics

- **Soledad's Household Population is Growing.** According to the U.S. Census Bureau, the household population of Soledad increased by over 20 percent between 2010 and 2020, as the community added 3,165 new residents in 783 households. Excluding the two correctional facilities located within the city boundaries and any other group quarters population, this places Soledad's household population at 18,800 residents as of 2020. This growth may have leveled off since 2020 as reported by the State of California Department of Finance (DOF), but the city has continued to add new housing units and households.
- **Soledad has a Large Share of Family Households.** Approximately 88 percent of Soledad households are made up of families, compared to only 73 percent of Monterey County households and 69 percent of California households. The proportion of family to non-family households remained relatively constant in Soledad between 2010 and 2021.
- **Soledad is Relatively Young.** The City's average household population age of 29.4 is significantly lower than in Monterey County and the State, reflecting a much larger population in the under 18 age cohort. At the same time, the share of residents 55 and older has increased in the city since 2010, in keeping with countywide and statewide trends.

- **Soledad’s Population has a Growing Hispanic/Latino Majority.** Over 90 percent of Soledad’s non-incarcerated population identifies as Hispanic or Latino, a much higher percentage than in either Monterey County overall or the State of California.
- **Educational Attainment and Household Incomes are Somewhat Lower in Soledad Compared to the County and State.** Soledad household residents have less formal education and lower per capita incomes than in the county or state. This is in part driven by the local economic base and may indicate a need for additional investment in educational and economic development opportunities for residents.

Economic Conditions

- **Soledad’s Economic Base is Overwhelmingly Concentrated in Government and Agriculture.** According to data provided by the State of California Employment Development Department (EDD), as of 2021 Soledad’s economic base consisted of 5,617 wage and salary jobs with a concentration in two major sectors: government and agriculture. Other sectors with a modest share of local employment include retail trade, accommodation and food service, and manufacturing and related sectors. Compared to Monterey County and the state, Soledad’s economy is significantly less diversified.
- **Soledad Residents are Heavily Employed in Agriculture and Transportation/Material Moving Occupations.** Nearly 35 percent of all Soledad residents are employed in agriculture and goods movement occupations, compared to just under 10 percent employed in office/administrative support, 7.0 percent in sales, 5.6 percent in management and 5.3 percent in protective service occupations.
- **There is a Significant Spatial Mismatch Between Jobs Available in Soledad and Local and Resident Employment.** Only 30 percent of employed residents in Soledad both live and work in the community. This suggests the potential need for educational and workforce training efforts focused on better matching the skills of residents with jobs in key industries.

Real Estate Market Conditions

- **The Market for Single Family Homes is Strong.** Most new homes delivered in Soledad over the past decade and more have been for-sale, single-family detached homes. With a median sale price of \$590,000, the for-sale market is relatively more affordable than in Monterey County as a whole,
- **The Existing Housing Stock Does Not Meet the Full Range of Housing Needs.** Soledad’s current housing supply includes a very constrained inventory of multifamily

rental housing units and affordable housing serving seniors, lower-income families, and other special needs households. The current update of the General Plan Housing Element provides a once in a decade opportunity for Soledad to identify housing sites and pro-housing strategies that will promote diverse housing product types to meet the full range of current and future housing needs.

- **Soledad Is Positioned to Capture a Greater Share of Local and Regional Retail Sales.** Due in part to extensive out-commuting, Soledad has struggled to maximize the capture of local resident retail expenditures. This is evident from low per-capita retail sales figures as compared to Monterey County as a whole. Existing retail leakage, combined with anticipated population growth should, however, make Soledad an attractive target for retail development in the future. The ongoing development of the Soledad Marketplace and the planned development of the Downtown Soledad Container Village of retail and food service uses represent a fundamental repositioning of Soledad in the broader sub-regional retail market.
- **The Office Market is Relatively Small and Has Limited Growth Potential.** The local office market primarily caters to public administration, education, and healthcare uses, and likely has limited potential for future growth to serve private-sector businesses requiring office space. Due to limited growth potential, Soledad may consider a strategy of leveraging retail development to serve anticipated office users.
- **The Regional Industrial Market Shows Potential for Expansion.** In Monterey County, the industrial market is growing with asking rents increasing by 130 percent and roughly 1,911,682 square feet of industrial space being absorbed between 2012 and 2022. With just over 154,000 total square feet, representing less than one percent of the Monterey County Market, Soledad has the potential to capture future industrial demand building on its strategic location and existing employment concentration in agricultural processing and packaging and the transportation/goods movement sector.

Future Growth and Land Use Demand

- **Up to 1,765 New Housing Units May be Added in Soledad by 2045, Not Including Planned Annexations.** BAE developed three growth scenarios for future residential development, not including any planned annexations. The high growth scenario is based on the growth rate observed between the 2010 and 2020 Decennial Census⁷ and indicates that the City of Soledad may experience demand sufficient to absorb approximately 1,765 new housing units through 2045. The medium growth scenario is based on projected growth in the household population as projected by AMBAG and indicates possible demand for approximately 857 new housing units. The low growth scenario assumes that growth in the household population will track with historical growth in the local employment base and indicates a low-end demand estimate for

around 544 new housing units. It is important to note that both the moderate and lower estimates are lower than the City's RHNA for the 2023-2031 planning period.

- **Employment Growth Trends in Soledad Suggest Modest Growth for Retail, Office and Industrial Uses Through 2045.** Based on employment forecast data from EDD, BAE estimated the amount of new non-residential development that the Soledad market may support over the General Plan time horizon. After accounting for existing vacancy and planned development, BAE estimates that Soledad may experience demand for between 7,600 and 21,500 square feet of new office development and between 27,900 and 47,800 square feet of new retail development. Due to the nature of the market, these two categories may overlap in form (e.g., strip retail is often used for retail as well as office uses). Soledad may also experience demand for between 57,500 and 137,500 square feet of new industrial development by 2045.

Additional Economic Opportunities

Beyond the anticipated growth and market opportunities described above, the following key economic opportunities emerged from primary research and in conversations with City staff and stakeholders.

Tourism and Visitor-Serving Uses

Key stakeholder interviews conducted for this report indicate significant untapped demand for additional tourism and visitor serving uses in Soledad, and this is confirmed by recent coverages in a variety of major media outlets, such as the *LA Times* and Smithsonian magazine as well as recent local television news reports¹.

With an estimated overall 275,000 tourists visiting Pinnacles National Park in 2022², and the combined historic attractions of the Los Coches Adobe,³ and Mission Soledad,⁴ Soledad has significant unrealized potential as a hub for retail, food service, services, and lodging catering to tourism. Of these attractions, the Los Coches Adobe would likely require the most up-front planning and investment to create a viable visitor serving use. Built in 1843 as part of the Rancho Los Coches Mexican Land grant given to Maria Josefa Soberanes, the Adobe has been a private residents, a stage coach and inn, and a rest stop, but is currently fenced off and unutilized. Other similar historic assets in California have been renovated and are offered by

¹ <https://www.ksbw.com/article/smithsonian-magazine-puts-soledad-in-national-spotlight/44122549>

² <http://irma.nps.gov/Stats/Reports/Park/PINN>

³ <https://soulofca.org/los-coches-adobe/>

⁴ <https://soledadmission.com>

historic societies and local tourism agencies as opportunities for visitors to explore the history of Spanish California and its architecture⁵.

Given Soledad's location and concentration on agriculture, as well as the growing local wine industry, Soledad may be particularly well positioned to capitalize on the "farm-to-table concept," in which local agricultural produce is highlighted through events and partnerships with local restaurants and wineries. Such events and dining experiences would not only capture spending from locals and tourists but would also highlight local vendors and agriculture producers that make Soledad a unique destination. By creating a unique visitor experience, Soledad would be better positioned to increase its capture of spending by existing travelers and to attract new tourists to the city. This type of concept could potentially be supported by the proposed Downton Container Village or on adjacent sites in Downtown Soledad.

One potential area to address in the development of a more robust tourism sector in Soledad is the City's relatively limited inventory of lodging options, currently consisting of a Motel 6 and a Super 8 Motel.

Agriculture and Value Added/Specialty Food Products

Agriculture is the largest industry in Monterey County, accounting for nearly 30 percent of all county jobs and nearly 20 percent of the county's gross domestic product.⁶ If the region's agricultural production continues to grow, the City of Soledad is well suited to capture growth in associated industries⁷. More specifically, the city's industrial area has sufficient capacity to accommodate value-added food manufacturing businesses that could capitalize on an increase in production. Another method to connect Soledad's economic development with the regional agriculture industry would be to better incorporate local produce into the Soledad identity. This could include expanded farmers markets, regional fairs like the Gilroy Garlic Festival, and regional "farm-to-fork" events.

⁵ See, for example, the Boronda Adobe in Salinas: <https://www.seemonterey.com/listings/jose-eusebio-boronda-adobe/2035/>

⁶ From the Bureau of Economic Analysis based on 2021 data. Accessed at <https://www.bea.gov/itable/>.

⁷ Although overall acreage in cultivation in Monterey County has not changed substantially, the value of agricultural production has increased over time. <https://www.co.monterey.ca.us/home/showpublisheddocument/113214/637970560105830000>

INTRODUCTION

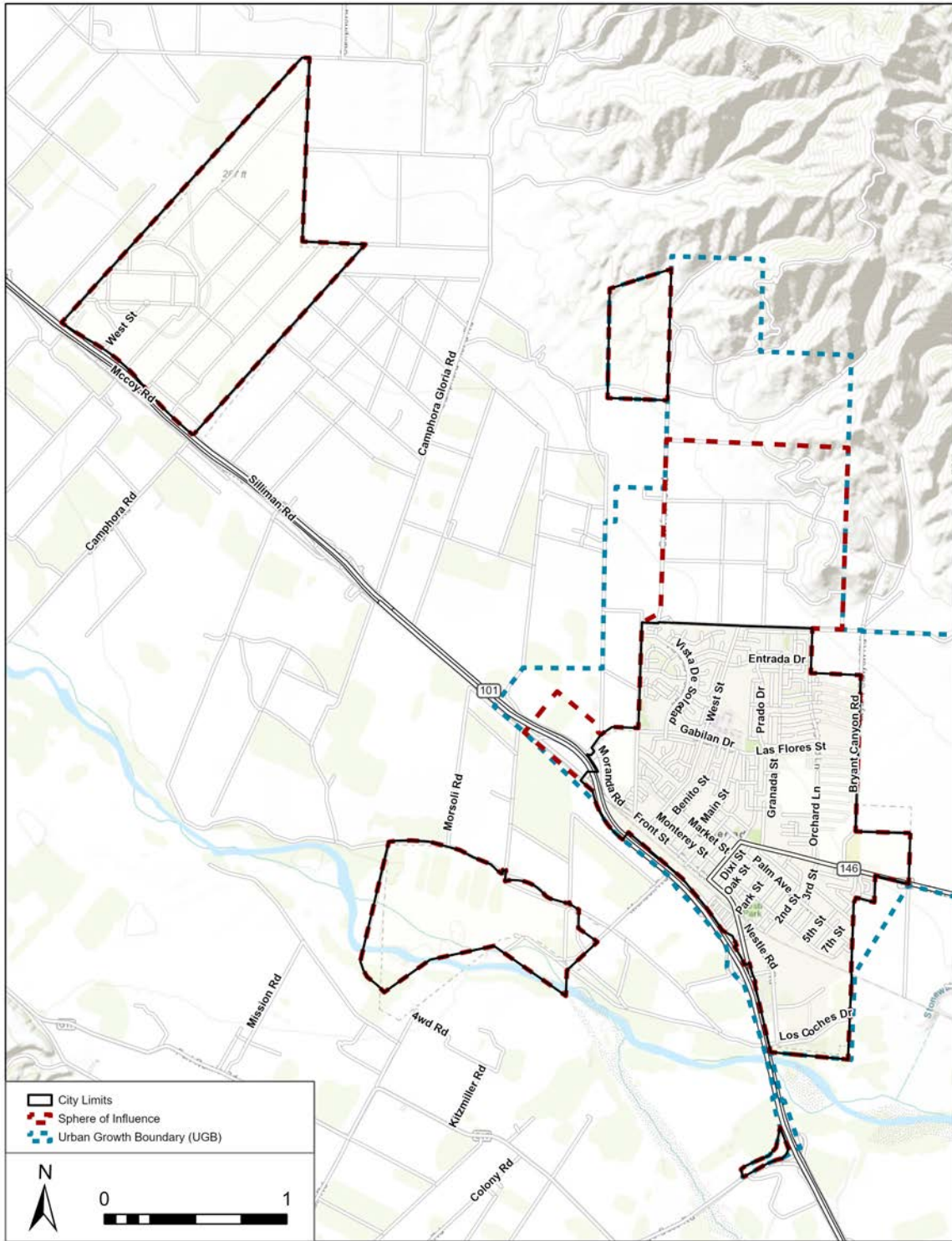
Purpose of Study

In support of the City of Soledad General Plan Update, and in partnership with PlaceWorks, BAE Urban Economics (BAE) has prepared this background Demographic and Economics Existing Conditions Report to provide an overview of existing demographic and economic conditions, local real estate market conditions and trends, and economic opportunities and challenges facing Soledad. The analysis also projects the future growth potential that may be anticipated through the General Plan time horizon of 2045. Based on a range of growth scenarios, this study estimates the anticipated demand for residential and non-residential land use types.

Geographic Definitions

As presented in Figure 1 on the following page, the city of Soledad is in the agriculturally productive Salinas Valley region along Highway 101 in Monterey County. Figure 2 below displays Soledad in the broader context of Monterey County and the surrounding region; this analysis provides data for Monterey County and California throughout to contextualize local and regional demographic and economic trends.

Figure 1: City of Soledad



Sources: Placeworks; BAE, 2023.

Figure 2: City of Soledad and Monterey County



Source: BAE, 2023.

DEMOGRAPHIC CHARACTERISTICS

The following section presents historic population, household, and housing characteristics and trends in Soledad, Monterey County, and the State of California, providing the demographic context for the General Plan Update. This section draws primarily from public sources such as the U.S Census and the State California Department of Finance. In addition to current year estimates, the following analysis also presents data trends between the 2010 and 2020 decennial censuses to identify important demographic trends within the City and Monterey County. Throughout this analysis, the household population of Soledad is analyzed separately from the group quarters population living in one of the two correctional facilities located within the City boundaries. Unless specifically noted, demographic characteristics are reported for residents living in households rather than group quarters.

Population and Household Trends

Table 1 below presents population and households trends in Soledad between 2010 and 2023. As shown, Soledad has grown much faster than the county and state since 2010 in terms of both population and households, and the city has significantly larger average household sizes. There are, however, substantial differences in the demographic composition of the city compared to the county and state due to the prison population that call for further analysis vis-à-vis the composition of the city's total vs. household population.

Overall Population Trends. Soledad contains two State correctional facilities: the Correctional Training Facility (commonly referred to as Soledad State Prison) with 4,091 inmates and the Salinas Valley State Prison with 2,907 inmates⁸. The population of these two facilities has fluctuated over time, though both facilities have populations that currently exceed the ostensible maximum design capacity. Including the prison and other group quarters population, the city grew by 7.2 percent from 25,738 in 2010 to 27,602 in 2020. Considering administrative records which show a decline in the prison population since 2020, DOF reports a decline in the total city population between 2020 and 2023, although it is important to note that this data does not necessarily align with other sources of information available.

Household Population Trends. Removing the prison/group quarters population from the analysis, it is possible to focus on the remainder of the city's population, which for the most part lives in households⁹; this is the more significant indicator of population and household

⁸ Data for prison populations updated as of May, 2023 per the State Department of Corrections, <https://www.cdcr.ca.gov/research/wp-content/uploads/sites/174/2023/05/Tpop1d230503.pdf>. These figures will differ from earlier data on group quarters population in the Soledad as reported by the US Census and State Department of Finance.

⁹ Henceforth in this report, the "household population" sometimes refers to the city's population excluding Census tract 109 which contains the prison group quarters population and almost no households. The number of persons in other group quarters accommodations in the city is negligible.

trends for the purposes of informing the General Plan. As shown, the household population of Soledad increased by over 20 percent between 2010 and 2020, adding 3,165 new residents in 783 new households. Although this was a significantly greater rate of growth than that observed in either the county as a whole or the state during the same period, it may still represent an undercount of the local population due to difficulties experienced in the administration of the 2020 US Census data, and the widely reported undercount of communities with significant Latino populations¹⁰.

Tiering off countywide trends and other variables, DOF has prepared current year household population estimates for 2023 which report that Soledad actually lost resident population between 2020 and 2023 while still gaining new households. This trend can be explained in part by assuming a decline in average household sizes in Soledad but based on key stakeholder outreach conducted for this analysis as well as information provided by City staff and the Soledad Police Department, a loss in population between 2020 and 2023, however slight, does not square with the community’s own experience.

Table 1: Population and Household Trends, 2010, 2020, and 2023

Population	2010 (a)	2020 (b)	2023 (b)	% Change 2010-2020	% Change 2020-2023
City of Soledad	25,738	27,602	26,230	7.2%	-5.0%
Monterey County	415,057	439,035	430,368	5.8%	-2.0%
California	37,253,956	39,538,223	38,940,231	6.1%	-1.5%
Household Population					
City of Soledad	15,635	18,800	18,648	20.2%	-0.8%
Monterey County	396,355	417,287	410,311	5.3%	-1.7%
California	36,434,140	38,583,000	38,014,307	5.9%	-1.5%
	3.9%	4.5%	4.5%		
Group Quarters Population					
City of Soledad	10,103	8,802	7,582	-12.9%	-13.9%
Monterey County	18,702	21,748	20,057	16.3%	-7.8%
California	819,816	955,223	925,924	16.5%	-3.1%
Households					
City of Soledad	3,664	4,447	4,535	21.4%	2.0%
Monterey County	125,946	131,789	134,100	4.6%	1.8%
California	12,577,498	13,475,623	13,739,470	7.1%	2.0%
Average Household Size					
City of Soledad	4.27	4.23	4.11		
Monterey County	3.15	3.17	3.06		
California	2.90	2.86	2.77		

Notes:

(a) Decennial 2010 Census figures.

¹⁰ <https://www.brookings.edu/blog/how-we-rise/2022/03/24/what-are-the-consequences-of-the-latino-undercount-in-the-2020-u-s-census/>

(b) California Department of Finance 2020 and 2023 figures. 2020 numbers from DOF have been adjusted from the available decennial census data, largely to account for the group quarters population.

Sources: U.S. Census, Decennial Census 2010, Table P1, P42, H2, and H4;; California Department of Finance, Table E5, 2023; BAE, 2023.

Household Composition

Most households in Soledad are families. As depicted in Table 2, 88.2 percent of Soledad households are families, compared to 73.2 percent of Monterey County households, and 69.0 percent of California households. The proportion of family to non-family households remained relatively constant in Soledad and the other two geographies between 2010 and 2020.

Table 2: Household Type, 2010 and 2020

	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
City of Soledad						
Family Households	3,264	89.1%	3,924	88.2%	660	20.2%
Non-Family Households	400	10.9%	523	11.8%	123	30.8%
Total Households (a)	3,664	100.0%	4,447	100.0%	783	21.4%
Monterey County						
Family Households	90,472	71.8%	96,516	73.2%	6,044	6.7%
Non-Family Households	35,474	28.2%	35,273	26.8%	(201)	-0.6%
Total Households	125,946	100.0%	131,789	100.0%	5,843	4.6%
California						
Family Households	8,642,473	68.7%	9,296,271	69.0%	653,798	72.8%
Non-Family Households	3,935,025	31.3%	4,179,352	31.0%	244,327	27.2%
Total Households	12,577,498	100.0%	13,475,623	100.0%	898,125	7.1%

Note:

Sources: U.S. Census, Decennial Census 2010, Table P28; U.S. Census, Decennial Census 2020, Table P16; BAE, 2023.

Age Characteristics

Soledad has a relatively young population. Table 3 shows the age distribution and median age in Soledad for the total population and non-group quarters population compared to Monterey County and California. The City of Soledad age characteristics show total population, which includes the group quarters population living in the Correctional Training Facility and the Salinas Valley State Prison. In order to isolate the age characteristics of the non-incarcerated population living in the City of Soledad, Table 3 presents a population figure that removes Census Tract 109, the site of the correctional facilities. Once these group quarters populations are removed, Soledad's population is significantly younger compared to Monterey County or California. When considering just the city's household population, the median age significantly lowers to 29.2. The lower median age among the city's household population is primarily due to the large share of residents under 18 years, comprising 32.2 percent of the household population in 2020. Additionally, Soledad has a comparatively lower concentration of older residents, 55 years and older.

Table 3: Age Distribution, 2010 and 2020

City of Soledad	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Under 18	5,674	22.0%	6,107	24.5%	433	7.6%
18-24	2,455	9.5%	2,507	10.1%	52	2.1%
25-34	4,779	18.6%	4,729	19.0%	(50)	-1.0%
35-44	5,347	20.8%	4,591	18.4%	(756)	-14.1%
45-54	4,208	16.3%	3,393	13.6%	(815)	-19.4%
55-64	2,088	8.1%	2,148	8.6%	60	2.9%
65 or older	1,187	4.6%	1,450	5.8%	263	22.2%
Total Population	25,738	100.0%	24,925	100.0%	(813)	-3.2%

Median Age 34.9 33.1

City of Soledad w/o Tract 109 (a)	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Under 18	5,657	36.2%	6,092	32.2%	435	7.7%
18-24	1,748	11.2%	2,167	11.4%	419	24.0%
25-34	2,366	15.1%	2,671	14.1%	305	12.9%
35-44	2,344	15.0%	2,597	13.7%	253	10.8%
45-54	1,581	10.1%	2,346	12.4%	765	48.4%
55-64	1,013	6.5%	1,667	8.8%	654	64.6%
65 or older	920	5.9%	1,406	7.4%	486	52.8%
Total Population	15,629	100.0%	18,946	100.0%	3,317	21.2%

Median Age 26.9 29.4

Monterey County	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Under 18	111,013	26.7%	111,258	25.3%	245	0.2%
18-24	46,253	11.1%	44,702	10.2%	(1,551)	-3.4%
25-34	62,077	15.0%	63,620	14.5%	1,543	2.5%
35-44	54,820	13.2%	58,224	13.3%	3,404	6.2%
45-54	53,254	12.8%	50,065	11.4%	(3,189)	-6.0%
55-64	43,218	10.4%	48,750	11.1%	5,532	12.8%
65 or older	44,422	10.7%	62,416	14.2%	17,994	40.5%
Total Population	415,057	100.0%	439,035	100.0%	23,978	5.8%

Median Age 32.9 35

California	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Under 18	9,295,040	25.0%	8,711,118	22.0%	(583,922)	-6.3%
18-24	3,922,951	10.5%	3,809,055	9.6%	(113,896)	-2.9%
25-34	5,317,877	14.3%	5,826,832	14.7%	508,955	9.6%
35-44	5,182,710	13.9%	5,326,009	13.5%	143,299	2.8%
45-54	5,252,371	14.1%	4,977,255	12.6%	(275,116)	-5.2%
55-64	4,036,493	10.8%	4,870,790	12.3%	834,297	20.7%
65 or older	4,246,514	11.4%	6,017,164	15.2%	1,770,650	41.7%
Total Population	37,253,956	100.0%	39,538,223	100.0%	2,284,267	6.1%

Median Age 35.2 37.5

Notes:

(a) Census Tract 109 contains the state correctional facilities and is removed to analyze household population.

Sources: U.S. Census, Decennial Census 2010, Table P12 and P13; U.S. Census, Decennial Census 2020, Table P12 and P13; BAE, 2023.

Over the period depicted in Table 3, both Soledad and Monterey County witnessed modest growth in the number of residents under 18 years, while California observed a decline in young residents. The high concentration of children and the growing number may drive demand for childcare and related services. Overall, all three geographies saw an increase in the concentration of older residents, corresponding to the large and aging baby boomer cohort. Large increases in the population of residents 55 years and older may drive demand for senior-specific services as this cohort continues to age.

Educational Attainment

Soledad has the lowest educational attainment level among the three geographies for residents aged 25 and older. According to the ACS, only 51.2 percent of Soledad household residents 25 years and older hold a high school equivalent credential or higher and approximately seven percent have a bachelor’s degree or higher (Table 4). In addition, Soledad residents have a far higher proportion of residents with less than a ninth grade education (39.9 percent) in comparison with the county and state, at 18.2 percent and 8.7 percent, respectively. The City of Soledad has a slightly higher share of residents who have attained only a high school diploma or equivalent compared to Monterey County and California but also has the lower share of residents with some college/associate-level degree or higher.

Table 4: Educational Attainment, 2021 Five-Year Sample Data

Educational Attainment	City of Soledad		City of Soledad w/o Tract 109 (b)		Monterey County		California	
	#	%	#	%	#	%	#	%
Less than 9th Grade	4,048	24.5%	3,381	39.9%	50,976	18.2%	2,342,364	8.7%
9th to 12th Grade, No Diploma	3,117	18.8%	751	8.9%	24,795	8.8%	1,893,671	7.1%
High School Graduate (incl. Equivalency)	4,438	26.8%	1,909	22.5%	56,912	20.3%	5,477,154	20.4%
Some College, No Degree	2,994	18.1%	1,075	12.7%	50,847	18.1%	5,496,578	20.5%
Associate Degree	1,098	6.6%	751	8.9%	22,683	8.1%	2,135,865	8.0%
Bachelor’s Degree	594	3.6%	430	5.1%	44,514	15.9%	5,855,383	21.9%
Graduate/Professional Degree	264	1.6%	169	2.0%	29,797	10.6%	3,596,055	13.4%
Total Population 25+ (a)	16,553	100.0%	8,466	100.0%	280,524	100.0%	26,797,070	100.0%
Population 25+ High School Graduate (incl. Equivalency) or Higher (%)	56.7%		51.2%		73.0%		84.2%	
Population 25+ with Bachelor’s Degree or Higher (%)	5.2%		7.1%		26.5%		35.3%	

Notes:

(a) Totals may not match other tables due to independent rounding.

(b) Census Tract 109 contains the state correctional facilities and is removed to analyze the non-incarcerated population.

Sources: U.S. Census Bureau, American Community Survey 2017-2021 five-year sample period, Table S1501; BAE, 2023.

Household Income Distribution

Soledad has a lower median household income than Monterey County and California. The city's 2021 estimated median household income is \$67,366, approximately \$14,600 lower than the county and \$16,700 lower than the state (see Table 5). Household incomes between \$25,000 to \$74,999 comprise the largest concentration of Soledad households, representing 40.1 percent of the total. The city has a small proportion of households earning \$150,000 or more compared to the county and state. Per capita income in Soledad is approximately \$18,000 lower than the county and \$25,600 lower than the state, driven by the city's larger households, high proportion of children, and the inclusion of the prison population.

Table 5: Household Income, 2021

Income Category	City of Soledad		Monterey County		California	
	Number	Percent	Number	Percent	Number	Percent
Less than \$15,000	268	7.3%	7,074	5.4%	1,080,154	8.2%
\$15,000-\$24,999	176	4.8%	8,036	6.2%	824,646	6.2%
\$25,000-\$34,999	497	13.6%	9,280	7.1%	882,663	6.7%
\$35,000-\$49,999	497	13.6%	13,236	10.2%	1,239,134	9.4%
\$50,000-\$74,999	474	13.0%	21,348	16.4%	1,947,417	14.7%
\$75,000-\$99,999	634	17.3%	19,608	15.1%	1,621,793	12.3%
\$100,000-\$149,999	661	18.1%	23,923	18.4%	2,310,752	17.5%
\$150,000-\$199,999	224	6.1%	11,805	9.1%	1,314,071	9.9%
\$200,000 or more	229	6.3%	15,667	12.1%	1,996,956	15.1%
Total Households (a)	3,660	100.0%	129,977	100.0%	13,217,586	100.0%
Median HH Income	\$67,366		\$82,013		\$84,097	
Per Capita Income	\$15,701		\$33,786		\$41,276	

Note:

(a) Totals may not match other tables due to independent rounding.

Sources: U.S. Census, American Community Survey 2017-2021 five-year sample period, Tables B19001 and B19013; BAE, 2023.

Race and Ethnicity

Soledad has a significantly higher share of Hispanic/Latino residents than Monterey County or California. As shown in Table 6, Hispanic/Latino residents account for approximately 70 percent of the city's total population and over 90 percent of the city's non-incarcerated population. Across the county and the state, Latino resident make up a smaller share of the total population compared to the city, comprising nearly 60 percent and 40 percent, respectively. Hispanic/Latino residents were also the only population group that increased in numbers since 2010 in the Soledad non-incarcerated population. Of that population, the city observed a decrease in the number of non-Hispanic residents by approximately 21.9 percent. Monterey County experienced a comparable trend, with a sizable growth in Hispanic and Latino residents (13.9 percent) and a decline in non-Hispanic residents (-4.4 percent). The decline in non-Hispanic residents in Monterey is primarily due to a loss of roughly 10,000 non-Hispanic White residents. The population of Asian residents, Other Race residents, and residents of two or more races in Monterey increased from 2010 to 2021.

Table 6: Race and Ethnicity, 2010 and 2020

City of Soledad	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Hispanic/Latino (a)	18,308	71.1%	19,789	79.4%	1,481	8.1%
Not Hispanic/Latino	7,430	28.9%	5,136	20.6%	(2,294)	-30.9%
White	3,418	13.3%	1,994	8.0%	(1,424)	-41.7%
Black/African American	2,865	11.1%	1,970	7.9%	(895)	-31.2%
Native American	132	0.5%	132	0.5%	0	0.0%
Asian	675	2.6%	521	2.1%	(154)	-22.8%
Native Hawaiian/Pacific Islander	98	0.4%	89	0.4%	(9)	-9.2%
Other	84	0.3%	130	0.5%	46	54.8%
Two or More Races	158	0.6%	300	1.2%	142	89.9%
Total Population (b)	25,738	100.0%	24,925	100.0%	(813)	-3.2%

City of Soledad w/o Tract 109 (b)	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Hispanic/Latino (a)	13,869	79.8%	17,107	90.3%	3,238	23.3%
Not Hispanic/Latino	1,760	10.1%	1,839	9.7%	79	4.5%
White	1,070	6.2%	972	5.1%	(98)	-9.2%
Black/African American	156	0.9%	125	0.7%	(31)	-19.9%
Native American	28	0.2%	41	0.2%	13	46.4%
Asian	311	1.8%	409	2.2%	98	31.5%
Native Hawaiian/Pacific Islander	17	0.1%	33	0.2%	16	94.1%
Other	24	0.1%	62	0.3%	38	158.3%
Two or More Races	154	0.9%	197	1.0%	43	27.9%
Total Population	17,389	100.0%	18,946	100.0%	1,557	9.0%

Monterey County	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Hispanic/Latino (a)	230,003	55.4%	265,321	60.4%	35,318	15.4%
Not Hispanic/Latino	185,054	44.6%	173,714	39.6%	(11,340)	-6.1%
White	136,435	32.9%	120,077	27.4%	(16,358)	-12.0%
Black/African American	11,300	2.7%	9,051	2.1%	(2,249)	-19.9%
Native American	1,361	0.3%	1,314	0.3%	(47)	-3.5%
Asian	23,777	5.7%	25,123	5.7%	1,346	5.7%
Native Hawaiian/Pacific Islander	1,868	0.5%	1,859	0.4%	(9)	-0.5%
Other	741	0.2%	2,170	0.5%	1,429	192.8%
Two or More Races	9,572	2.3%	14,120	3.2%	4,548	47.5%
Total Population	415,057	100.0%	439,035	100.0%	23,978	5.8%

California	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Hispanic/Latino (a)	14,013,719	37.6%	15,579,652	39.4%	1,565,933	11.2%
Not Hispanic/Latino	23,240,237	62.4%	23,958,571	60.6%	718,334	3.1%
White	14,956,253	40.1%	13,714,587	34.7%	(1,241,666)	-8.3%
Black/African American	2,163,804	5.8%	2,119,286	5.4%	(44,518)	-2.1%
Native American	162,250	0.4%	156,085	0.4%	(6,165)	-3.8%
Asian	4,775,070	12.8%	5,978,795	15.1%	1,203,725	25.2%
Native Hawaiian/Pacific Islander	128,577	0.3%	138,167	0.3%	9,590	7.5%
Other	85,587	0.2%	223,929	0.6%	138,342	161.6%
Two or More Races	968,696	2.6%	1,627,722	4.1%	659,026	68.0%
Total Population	37,253,956	100.0%	39,538,223	100.0%	2,284,267	6.1%

Notes:

(a) Includes all races for those of Hispanic/Latino background.

(b) Census Tract 109 contains the state correctional facilities and is removed to analyze household population.

Sources: U.S. Census, Decennial Census 2010, Table P5; and Decennial Census 2020, Table P5; BAE, 2023.

ECONOMIC CONDITIONS

This section summarizes current economic conditions in the City of Soledad and the comparison geographies. The analysis draws on data from several sources, including data published by the California Employment Development Department (EDD), the US Bureau of Labor Statistics (BLS), the California Department of Tax and Fee Administration (CDTFA), and the US Census Bureau Longitudinal Employer-Household Dynamics (LEHD).

Jobs by Industry

Table 7 below presents jobs by industry trends from 2016 to 2021 in Soledad compared to Monterey County. As shown, according to data provided by the State Employment Development Department (EDD), as of 2021 Soledad's economic base consisted of 5,617 wage and salary jobs concentrated in two major sectors: government and agriculture. Decreasing from 55.2 percent of total jobs in 2016, government employment (driven primarily by employment in the two state correctional facilities) comprised 51.5 percent of jobs by 2021. Jobs in the agricultural sector, however, have increased over time from 1,227 in 2016 to 1,686 in 2021 (28.2 percent). Other sectors with a modest share of local employment include retail trade, accommodation and food service, and manufacturing and related sectors, although the latter two sectors appear to have experienced a decrease in total jobs since 2016. Compared to the county and the state, Soledad's economy is significantly less diversified.

Table 7: Jobs by Industry, City of Soledad and Monterey County, 2016-2021

NAICS Industry Sector	City of Soledad						Monterey County					
	2016		2021		Change		2016		2021		Change	
	Number	Percent	Number	Percent	Number	Rate	Number	Percent	Number	Percent	Number	Rate
<i>Private Sector</i>												
11, 21 Agriculture, Forestry, and Mining	1,227	22.3%	1,586	28.2%	359	5.3%	53,104	28.2%	55,051	29.1%	1,947	0.7%
23 Construction	13	0.2%	22	0.4%	9	11.1%	5,839	3.1%	6,487	3.4%	648	2.1%
22, 31- Manufacturing, Utilities, Transportation 33, 42, 48- and Warehousing, and Wholesale Trade	395	7.2%	340	6.1%	(55)	-3.0%	14,835	7.9%	13,700	7.3%	(1,135)	-1.6%
44-45 Retail Trade	252	4.6%	261	4.6%	9	0.7%	16,424	8.7%	16,058	8.5%	(366)	-0.4%
52 Finance and Insurance	33	0.6%	34	0.6%	1	0.6%	2,377	1.3%	2,173	1.2%	(204)	-1.8%
53 Real Estate and Rental and Leasing	39	0.7%	39	0.7%	0	0.0%	1,783	0.9%	1,912	1.0%	129	1.4%
51, 54, 55 Information, Professional Services, and Business Management	25	0.5%	17	0.3%	(8)	-7.4%	7,089	3.8%	7,503	4.0%	414	1.1%
56 Administrative and Support and Waste Management and Remediation Services	39	0.7%	41	0.7%	2	1.0%	7,278	3.9%	8,438	4.5%	1,160	3.0%
61, 62 Education, Health Care, and Social Assistance	127	2.3%	142	2.5%	15	2.3%	18,080	9.6%	19,533	10.3%	1,453	1.6%
71, 72 Arts, Entertainment, Accommodation, and Food Services	255	4.6%	218	3.9%	(37)	-3.1%	24,013	12.7%	20,495	10.8%	(3,518)	-3.1%
81, 99 Other Services and Unclassified	63	1.1%	27	0.5%	(36)	-15.6%	5,419	2.9%	4,668	2.5%	(751)	-2.9%
<i>Government</i>	3,036	55.2%	2,890	51.5%	(146)	-1.0%	32,346	17.2%	32,877	17.4%	531	0.3%
Total, All Industries (a)	5,503	100%	5,616	100%	113	0.4%	188,586	100%	188,895	100%	309	0.03%

Notes:

Table shows distribution of jobs in each area, not the number of employed residents.

(a) Totals may not match sum of parts due to independent rounding and data confidentiality.

Sources: Quarterly Census of Employment and Wages (QCEW), US Bureau of Labor Statistics, 2021; BAE, 2023.

Resident Employment by Industry

For comparison, Table 8 provides the distribution of workers by place of residence for Soledad and Monterey County. In other words, this describes working residents of the city and the county, regardless of where they work. This data is from a different source (the American Community Survey), has a slightly different categorization system, and covers a different period than Table 7 so comparisons should be made with caution. The two largest sectors for jobs held by employed residents are agriculture and related, and education/health care/social assistance; each of these broad sectors employs more than 1,000 Soledad residents. There are also nearly 1,000 residents working in the grouping of manufacturing, utilities, transportation and warehousing, and wholesale trade; many of these jobs are linked to the local agricultural economy in the Salinas Valley.

For many sectors aside from agriculture, there are more city residents working in the sector than there are jobs in the city. This mismatch is likely responsible for the high commute flows in and out of the city (see Table 10) as city residents seek suitable employment elsewhere, and workers from other locations fill the jobs in Soledad, especially those related to the correctional facilities.

Table 8: Employed Residents by Industry, Soledad and Monterey County

NAICS Industry Sector	City of Soledad		Monterey County	
	2017-2021		2017-2021	
	Number	Percent	Number	Percent
11, 21 Agriculture, Forestry, and Mining	1,821	28.4%	29,583	15.6%
23 Construction	476	7.4%	13,637	7.2%
22, 31-33, Manufacturing, Utilities, Transportation and 42, 48-49 Warehousing, and Wholesale Trade	956	14.9%	22,454	11.8%
44-45 Retail Trade	319	5.0%	17,936	9.4%
52 Finance and Insurance	59	0.9%	3,235	1.7%
53 Real Estate and Rental and Leasing	13	0.2%	3,426	1.8%
51, 54, 55 Information, Professional Services, and Business Management	115	1.8%	12,047	6.3%
56 Administrative and Support and Waste Management and Remediation Services	199	3.1%	9,950	5.2%
61, 62 Education, Health Care, and Social Assistance	1,283	20.0%	37,563	19.8%
71, 72 Arts, Entertainment, Accommodation, and Food Services	458	7.1%	21,527	11.3%
81 Other Services	198	3.1%	8,075	4.3%
92 Public Administration	521	8.1%	10,374	5.5%
Total, All Industries (a)	6,418	100%	189,807	100%

Note:

(a) Universe consists of all workers by place of residence. Previous table provides government workers regardless of industry; this table does not separate out government workers except those in public administration (e.g., public school staff would be in the education, etc. category, not public administration). As a result, comparisons between these two tables should be made with caution.

Sources: US. Census Bureau, American Community Survey 2017-2021 five-year sample period, Table S2403; BAE, 2023.

Resident Employment by Occupation

Table 9 provides data regarding residents by occupation, regardless of where the resident works. As shown in Table 9, a significant share of Soledad’s labor force works in farming/fishing/forestry occupations. Approximately 23.5 percent of the city’s labor force works in farming/fishing/forestry occupations compared to 11.1 percent of the county and 1.4 percent of the state. There is also a prominent share of Soledad employed residents working in transportation/material moving occupations. The proportion of Soledad’s labor force in this category (11.1 percent) is higher than that of Monterey County (8.2 percent) and California (7.3 percent). A high concentration of farming/fishing/forestry and transportation/material moving occupations in Soledad compared to the county suggests that there is a high concentration of the county’s agriculture-related laborers living in Soledad.

Table 9: Employed Residents by Occupation, 2021

Occupation	City of Soledad		Monterey County		California	
	Number	Percent	Number	Percent	Number	Percent
Management	360	5.6%	16,595	8.7%	2,059,151	11.0%
Business/Financial	83	1.3%	7,065	3.7%	1,071,350	5.7%
Computer/Mathematical	134	2.1%	3,028	1.6%	739,959	4.0%
Architecture/Engineering	15	0.2%	2,213	1.2%	457,879	2.5%
Life/Physical/Social Science	10	0.2%	2,245	1.2%	231,155	1.2%
Community/Social Service	38	0.6%	2,507	1.3%	319,716	1.7%
Legal	16	0.2%	1,113	0.6%	231,963	1.2%
Education/Training/Library	365	5.7%	11,483	6.0%	1,037,181	5.6%
Arts/Design/Entertainment/Sports/Media	52	0.8%	3,576	1.9%	547,054	2.9%
Healthcare Practitioner/Technician	53	0.8%	8,311	4.4%	980,154	5.2%
Healthcare Support	266	4.1%	7,417	3.9%	678,671	3.6%
Protective Service	337	5.3%	4,590	2.4%	388,197	2.1%
Food Preparation/Serving Related	299	4.7%	11,301	6.0%	1,011,808	5.4%
Building/Grounds Cleaning/Maintenance	129	2.0%	9,895	5.2%	715,376	3.8%
Personal Care/Service	83	1.3%	4,500	2.4%	517,132	2.8%
Sales and Sales Related	450	7.0%	17,187	9.1%	1,807,287	9.7%
Office/Administrative Support	615	9.6%	18,018	9.5%	2,004,825	10.7%
Farming/Fishing/Forestry	1,511	23.5%	21,118	11.1%	266,145	1.4%
Construction/Extraction	314	4.9%	10,058	5.3%	901,117	4.8%
Installation/Maintenance/Repair	216	3.4%	5,162	2.7%	487,270	2.6%
Production	358	5.6%	6,797	3.6%	863,584	4.6%
Transportation/Material Moving	714	11.1%	15,628	8.2%	1,359,747	7.3%
Total Employed Labor Force (a)	6,418	100.0%	189,807	100.0%	18,676,721	100.0%

Note:

(a) Totals may not match other tables due to independent rounding and use of different sources for the estimates.

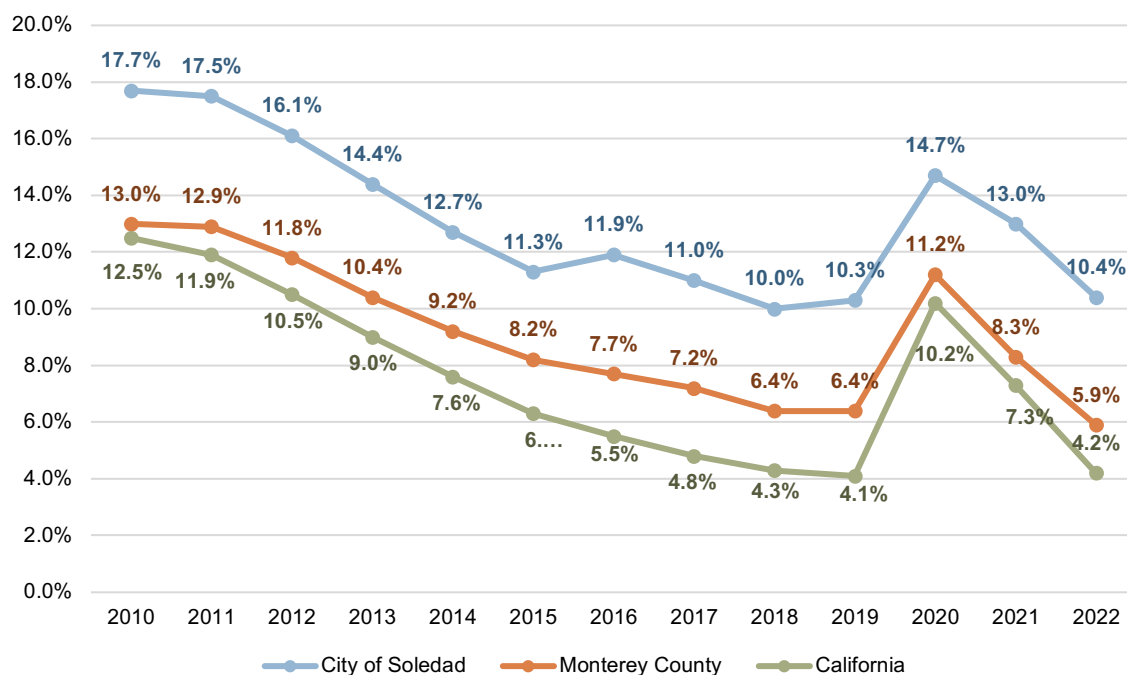
Sources: US. Census Bureau, American Community Survey 2017-2021 five-year sample period, table C24010; BAE, 2023.

Unemployment Trends

As presented in Figure 3 on the following page, between 2010 and 2022, Soledad and Monterey County consistently experienced higher unemployment rates than California. The city’s unemployment rate remains consistently three to five percent higher than the county and five to six percent higher than the state; this is not unusual for local and regional economies with large agricultural sectors and related seasonal variations in employment. Unemployment steadily decreased from 2010 to 2019 in all three geographies, but the COVID-19 pandemic

created negative labor impacts on the economy causing the unemployment rate in all three geographies to jump. The somewhat lower impact on the unemployment rate in Soledad and Monterey County in 2020 may be attributed to the number of essential workers (i.e., employees of the two state prisons and agricultural workers) living in the city and county compared to the state. More recent rates have declined to pre-pandemic levels; as of 2022, unemployment rates were 10.4 percent in Soledad, 5.9 percent Monterey County, and 4.2 percent in California.

Figure 3: Unemployment Rate, 2010-2021



Sources: California Employment Development Department (EDD), Local Area Unemployment Statistics, 2023; BAE, 2023.

Jobs/Employed Residents Balance and Commute Flows

As suggested by the above presented employment data, there are a considerable number of Soledad residents who commute to jobs outside of Soledad. In order to explore further the relationship between jobs and employed residents, commute data from the American Community Survey is presented in Table 10. Based on this data, there are approximately 6,300 employed persons residing in Soledad, but only about 28 percent of them work in the city. Most of the remainder work elsewhere in Monterey County, with only 4.4 percent working outside the county. There are approximately 5,800 persons working in the city, but 70 percent of them commute in from elsewhere, with only 30 percent of the jobs filled by local residents.

Table 10: Commute Flows, 2017-2021

Place of Residence	Workers		Place of Work	Employed Residents	
	Number	Percent		Number	Percent
Soledad city	1,747	30.0%	Monterey County	6,043	95.6%
All Other Locations	4,078	70.0%	Soledad city	1,747	27.6%
Total Workers	5,825	100.0%	All Other Monterey County	4,296	67.9%
			All Other Locations	280	4.4%
			Total Employed Residents	6,323	100.0%

Sources: U.S. Census Bureau, American Community Survey 2017-2021 five-year sample period, Tables B08007, B08008, and B08624; BAE, 2023.

A comparison between total jobs and total employed residents living in Soledad indicates that the current ratio of jobs per employed resident is roughly 0.92, indicating there are somewhat fewer jobs than working residents in the city. Despite this level of balance, the data above indicates a substantial level of cross-commuting, with most of Soledad's working residents working outside the city and most of the local jobs held by non-residents.

REAL ESTATE MARKET CONDITIONS

Building on the demographic and economic conditions and trends presented above, the following section provides an overview of the current real estate market in Soledad as compared to Monterey County and California using data published by the California Department of Finance, the US Census Bureau’s American Community Survey (ACS), and data from private data vendors, including ListSource and CoStar. The analysis also draws from key stakeholder interviews conducted by BAE with business and real estate sector representatives active in the Soledad area.

Residential Market Overview

Supported by steady household population growth between 2010 and 2020, the residential market in Soledad has been relatively robust, driven primarily by demand for single family homes. The following overview summarizes key housing characteristics including sales prices and rental rate trends, within the City of Soledad as compared to Monterey County and California.

Housing Stock Characteristics

Detached single-family units represent the great majority of housing units in Soledad and Monterey County. Overall, there is a greater share of single-family units in Soledad (80.3 percent) compared to the county (69.6 percent) and the state (64.4 percent). Inversely, multifamily units comprise only 15.1 percent of the city’s housing unit inventory, while accounting for more than a quarter of the county’s and nearly a third of the state’s housing inventory. In recent years, almost all building permits issued in Soledad have been for single family detached houses.¹¹ Future construction in the city is also likely to be largely of single-family structures, but with additional multifamily housing planned to diversify the City’s housing stock. In 2017, the City of Soledad annexed Miravale IIB; the development will deliver approximately 125 additional single-family units and up to 100 multifamily units in Soledad. Additionally, the city received conditional approval in December of 2022 from LAFCO to annex 654 acres of agricultural land northeast of the city, known as the Miramonte Expansion Proposal, to build a new community of nearly 2,400 homes.

¹¹ State of the Cities Data Systems, <https://socds.huduser.gov/permits/index.html>, accessed May 2023.

Table 11: Units in Structure, 2022

Units in Structure	City of Soledad		Monterey County		California	
	Number	Percent	Number	Percent	Number	Percent
Detached Single-Family	3,578	77.2%	92,109	63.1%	8,420,792	57.3%
Attached Single-Family	141	3.0%	9,489	6.5%	1,056,780	7.2%
2 to 4 Units	341	7.4%	12,783	8.8%	1,146,148	7.8%
5 or more	357	7.7%	26,046	17.8%	3,545,018	24.1%
Mobile Homes	216	4.7%	5,538	3.8%	538,960	3.7%
Total, All Units	4,633	100.0%	145,965	100.0%	14,707,698	100.0%
% Single Family	80.3%		69.6%		64.4%	
% Multifamily	15.1%		26.6%		31.9%	

Sources: Department of Finance, Table E-5, 2023; BAE, 2023.

Housing Tenure

Given the predominance of single-family homes in Soledad, owners account for the majority of households in Soledad. As shown in Table 12 and as of 2020, 57.7 percent of occupied units in Soledad are owner-occupied, while owners account for 50.9 percent of Monterey County's occupied units and 54.5 percent of California's occupied units. Between 2010 and 2020, Soledad experienced a substantial increase in both renter and owner-occupied units, a far higher percentage increase than for the county or the state. The proportion of single-family homes is greater than the proportion of owners; this indicates that some of these single-family units are occupied by renters. Nevertheless, the preponderance of planned new single-family homes indicates that the owner-occupied units will continue dominate the housing market in Soledad.

Table 12: Occupied Housing Units by Tenure, 2010 and 2020

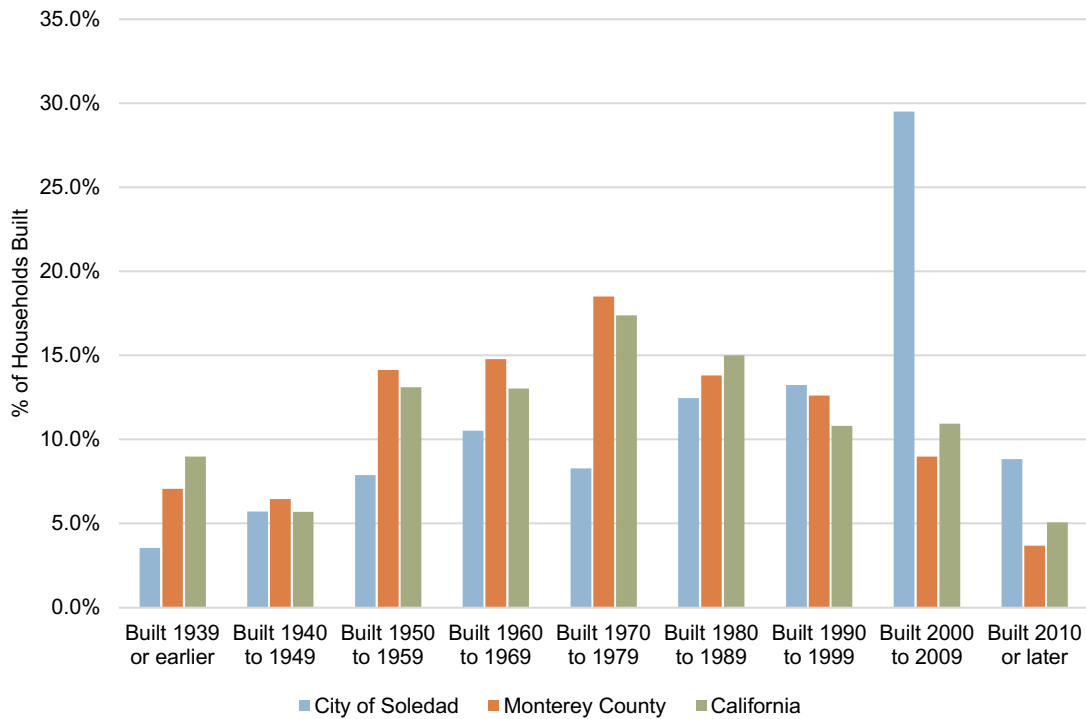
City of Soledad	2010		2020		Change, 2010-2020	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,092	57.1%	2,566	57.7%	474	22.7%
Renter-Occupied	1,572	42.9%	1,881	42.3%	309	19.7%
Total Occupied Units	3,664	100.0%	4,447	100.0%	783	21.4%
Monterey County	2010	2020	Change, 2010-2020			
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	64,077	50.9%	67,068	50.9%	2,991	4.7%
Renter-Occupied	61,869	49.1%	64,721	49.1%	2,852	4.6%
Total Occupied Units	125,946	100.0%	131,789	100.0%	5,843	4.6%
California	2010	2020	Change, 2010-2020			
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,035,371	55.9%	7,348,329	54.5%	312,958	4.4%
Renter-Occupied	5,542,127	44.1%	6,127,294	45.5%	585,167	10.6%
Total Occupied Units	12,577,498	100.0%	13,475,623	100.0%	898,125	7.1%

Sources: U.S. Census, Decennial Census 2010, Table H16 and Decennial Census 2020, Table H4; BAE, 2023.

Year Built

As shown in Figure 4, more than half of Soledad’s housing stock was built between 1980 and 2009. The largest share of homes was built between 2000 to 2009, when nearly 30 percent of the city’s residential units were built. The spike correlated with the housing boom preceding the Great Recession. For Monterey County and California, the highest proportion of units were built in the 1970s, when 18.5 percent of the county’s housing stock was built, and 17.4 percent of the state’s housing stock was built. Soledad, Monterey County, and California have all witnessed a decrease in the production of units since 2010. Soledad, however, produced the highest share of housing units among the three geographies and the housing production is projected to increase given the Miramonte Expansion Proposal.

Figure 4: Housing Units by Year Built, 2021 Five-Year Sample Data



Sources: US Census Bureau, American Community Survey 2017-2021 five-year sample period, Table B25034; BAE, 2023.

Housing Occupancy Status

Vacancy rates establish the relationship between housing supply and demand and help to indicate whether a jurisdiction has an adequate housing supply to accommodate demand. The following section examines the published vacancy data from the U.S. Decennial Census. Since this data is collected on a regular and consistent basis every ten years, it allows an analysis of any changes in the local housing market over that time period. These changes may result in a lack of available housing or increasing affordability problems.

As of 2020, Soledad shows an extremely low overall vacancy rate of 1.7 percent (see Table 13). In contrast, the county shows an 8.2 percent overall rate and the state’s rate is 6.4 percent.¹² The county’s higher rate is due in large part to the strong presence of visitor-serving units in the coastal areas. Some other areas of the state (e.g., the Tahoe region) also have high numbers of homes reserved for occasional use.

The extremely low vacancy rate in Soledad indicates that the local market is not meeting the demand for housing, as “stabilized” vacancy rates, where the market has some vacancies as households move between units, and some units are held off the market for other reasons. Furthermore, the vacancy rate in Soledad has declined dramatically from 2010, when the housing market was still recovering from the Great Recession and related mortgage market crisis.

Table 13: Housing Occupancy and Vacancy Status, 2010 and 2020

Occupancy/Vacancy	2010		2020		Change, 2010-2021	
	Number	Percent	Number	Percent	Number	Percent
City of Soledad						
Occupied Housing Units	3,664	94.5%	4,447	98.3%	783	21.4%
Vacant Housing Units	212	5.5%	77	1.7%	(135)	-63.7%
Total, Housing Units	3,876	100.0%	4,524	100.0%	648	16.7%
Monterey County						
Occupied Housing Units	125,946	90.6%	131,789	91.8%	5,843	4.6%
Vacant Housing Units	13,102	9.4%	11,842	8.2%	(1,260)	-9.6%
Total, Housing Units	139,048	100.0%	143,631	100.0%	4,583	3.3%
California						
Occupied Housing Units	12,577,498	91.9%	13,475,623	93.6%	898,125	7.1%
Vacant Housing Units	1,102,583	8.1%	916,517	6.4%	(186,066)	-16.9%
Total, Housing Units	13,680,081	100.0%	14,392,140	100.0%	712,059	5.2%

Sources: US Census Bureau, 2010 Decennial Census SF1, Table H3; 2020 Decennial Census PL 94-171 data, Table H1; BAE, 2023.

Vacant housing units are not always available for occupancy in the regular housing market, with some units held for seasonal or occasional use, for use by migrant workers, or simply held off the market for other reasons (e.g., awaiting settlement of an estate, foreclosure, storage, needing repairs, or other personal reasons of the owner). Measuring vacancy rates by tenure, excluding units that are not occupied and not available for rent or sale, provides a more refined measure of market conditions relevant to those seeking a primary residence.

¹² Detailed vacancy status data (e.g., for rent, for sale, held for occasional use) is not yet available from the 2020 Census. American Community Survey data by vacancy status deemed to be unreliable for Soledad due to small sample sizes; furthermore, the data appears inconsistent with the 2020 Census data that attempts to provide 100 percent coverage of housing units.

Economists typically consider a healthy vacancy rate to be between approximately one and two percent in the ownership market, and approximately five percent for rental housing market. The rental vacancy rate is generally higher than the ownership vacancy rate as renters switch residences more frequently, such that at any given time a higher proportion of units are between occupants.

For Soledad, the 2020 vacancy rates by tenure indicate a very constrained market, with an owner vacancy rate of only 0.4 percent and a rental vacancy rate of only 1.3 percent, indicating that households seeking rental housing in particular will have difficulty finding housing in the city (see Table 14). These Soledad vacancy rates are well below the rates in 2010. The county overall and the state have also seen declining homeowner and rental vacancy rates over the decade, but not to the same degree as Soledad. The strong demand for housing in Soledad shown by these rates may lead to increasing housing costs and decreasing affordability, especially for rental housing. As noted above, there has been no recent construction of multifamily units in the city. The following sections provide more insights on the single-family and condominium for sale market and the apartment rental market in Soledad.

Table 14: Vacancy Rate by Tenure, 2010 and 2020

Soledad	2010	2020
Homeowner Vacancy Rate	2.4%	0.4%
Rental Vacancy Rate	4.1%	1.3%
Monterey County	2010	2020
Homeowner Vacancy Rate	2.5%	0.9%
Rental Vacancy Rate	4.9%	4.0%
California	2010	2020
Homeowner Vacancy Rate	1.0%	1.0%
Rental Vacancy Rate	6.3%	4.6%

Sources: U.S. Census Bureau, Decennial Census 2010, SF1 Tables H4 and H5; Decennial Census 2020, DHC Tables H4 and H5.

For-Sale Residential Market Conditions

Between April 2022 to March 2023, there were 80 total residential units sold in Soledad, consisting of 74 single-family residential sales and six condominium sales. Larger single-family residential units, predominantly those with three to four bedrooms, were the most commonly sold unit types during this period. The average home sale for single-family units was roughly \$593,500 and the median sale price was \$590,000. During this time period, only six condominiums were sold in Soledad, the majority of which were three-bedroom units. Condominiums in Soledad sold on average for \$416,500.

Table 15: Characteristics of Home Sales by Type, City of Soledad, April 2022 to March 2023

Single-Family Residences						
Sale Price Range	1 BD	2 BD	3 BD	4+ BD	Total	% Total
Less than \$550,000	0	3	16	3	22	29.7%
\$550,000-\$599,999	0	0	12	6	18	24.3%
\$600,000-\$649,999	0	0	3	11	14	18.9%
\$650,000 or more	0	0	1	19	20	27.0%
Total, SFR Sales	0	3	32	39	74	100.0%
<i>% of Total</i>	<i>0.0%</i>	<i>4.1%</i>	<i>43.2%</i>	<i>52.7%</i>	<i>100.0%</i>	
Median Sale Price	n.a.	\$375,000	\$547,500	\$625,000	\$590,000	
Average Sale Price	n.a.	\$335,000	\$543,438	\$654,423	\$593,480	
Average Living Area (sq. ft.)	n.a.	904	1,468	2,087	1,771	
Average Lot Size (sq. ft.)	n.a.	8,150	6,742	8,376	7,660	
Average Price per Living sq. ft.	n.a.	\$380	\$377	\$327	\$351	
Condominium						
Sale Price Range	1 BD	2 BD	3 BD	4+ BD	Total	% Total
Less than \$400,000	0	0	3	0	3	50.0%
\$400,000-\$499,999	0	0	1	0	1	16.7%
\$500,000 or more	0	0	1	1	2	33.3%
Total, Condominium Sales	0	0	5	1	6	100.0%
<i>% of Total</i>	<i>0.0%</i>	<i>0.0%</i>	<i>83.3%</i>	<i>16.7%</i>	<i>100.0%</i>	
Median Sale Price	n.a.	n.a.	\$333,000	\$516,000	\$414,000	
Average Sale Price	n.a.	n.a.	\$396,600	\$516,000	\$416,500	
Average Living Area (sq. ft.)	n.a.	n.a.	1,211	1,642	1,283	
Average Lot Size (sq. ft.)	n.a.	n.a.	2,831	3,398	2,926	
Average Price per Living sq. ft.	n.a.	n.a.	\$324	\$314	\$322	

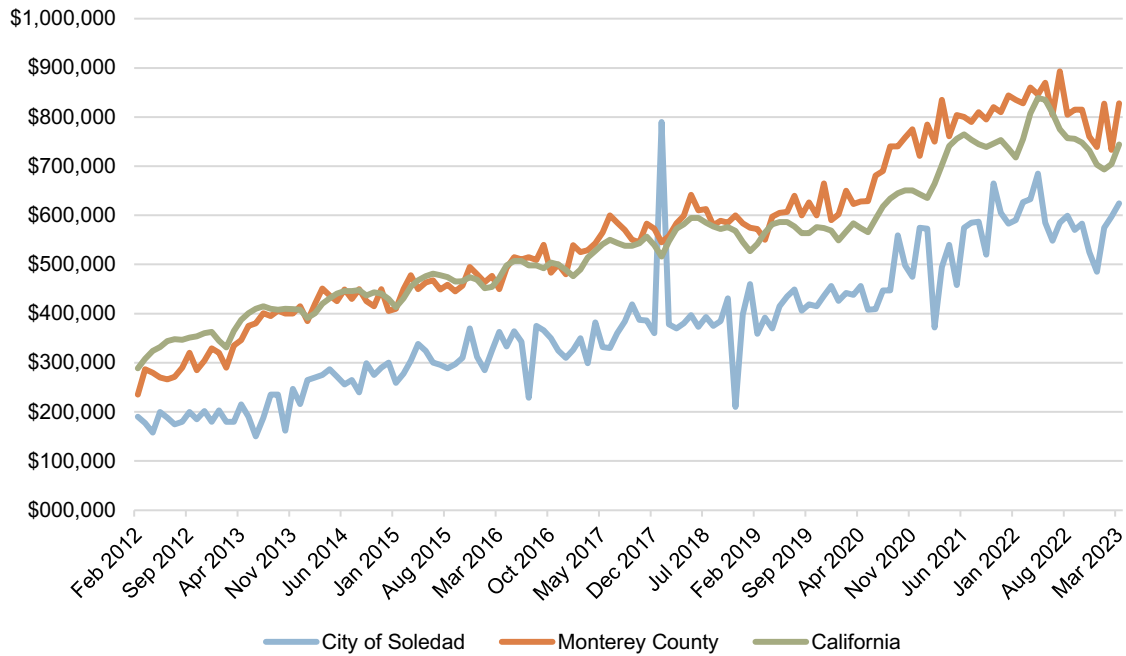
Note:

(a) Data reflects single-family houses and condominiums sold from April 2022 through March 2023. No townhome sales were recorded within this time range.

Sources: ListSource; BAE, 2023.

Figure 5 shows longer-term trends in the median home sale price using data from Redfin Data Center from February 2012 through March 2023. Home sale prices in Soledad are generally below the prices for Monterey County and California. In general, Monterey County median home sale prices are marginally higher than those statewide and are the highest among the three geographies, reflecting the influence of the higher-cost areas in the coastal regions of the county. In March 2023, the county's median home sale price was \$828,000, while the state and city median home sale prices were \$744,000 and \$624,000, respectively.

Figure 5: Median Sale Price, Feb 2012 to March 2023



Sources: Redfin Data Center; BAE, 2023.

Rental Residential Market Conditions

Table 16 shows the multifamily residential summary for Soledad and Monterey County from CoStar. CoStar multifamily data captures only a sample of the residential rental market and is not an exhaustive survey of the city or the county rental inventory; for instance, the total rental inventory includes some single-family homes not counted by CoStar. As presented below, CoStar reports only 67 multifamily units in Soledad with a vacancy rate of 1.3 percent. The citywide average rental rate is approximately \$1,050 as of Q4 2022, a 2.9 percent increase from the prior year. Relative to the county’s average asking rents, Soledad’s rents are significantly more affordable; however, because Costar data is not entirely indicative of the city’s rental market, the average asking rents in the city may vary. This data represents a considerable lack of multifamily rental options. The CoStar-derived vacancy rate in Soledad is lower than that of the county and there is no new multifamily construction in the city at present or in the development pipeline, with the exception of the 100 multifamily residential units included in the Miravale IIB annexation.

Table 16: Multifamily Residential Summary, Q4 2022

Multifamily Summary - Market Rate	City of Soledad	Monterey County
Inventory, Q4 2022 (units)	67	21,338
% of Units (a)	0.3%	100.0%
Average Unit Size (sq. ft.)	805	824
Vacant Units	1	608
Vacancy Rate	1.3%	2.9%
Average Rents, Q4 2021 - Q4 2022 (per unit) (a)		
Average Rent, Q4 2021	\$1,020	\$1,914
Average Rent, Q4 2022	\$1,050	\$1,949
% Change Q4 2021 - Q4 2022	2.9%	1.8%
Net Absorption		
One-Year Net Absorption (units), Q4 2021 - Q4 2022	0	35
Ten-Year Net Absorption (units), Q4 2012 - Q4 2022	0	457
New Deliveries (units), Q4 2021 - Q4 2022	0	210
Under Construction (units), Q4 2022	0	6

Note:

(a) Market-rate units only.

Sources: CoStar; BAE, 2023.

The General Plan Housing Element and Housing Affordability Needs

As with all jurisdictions in the Association of Monterey Bay Area Governments (AMBAG) region, Soledad is currently in the process of updating its General Plan Housing Element to plan for future housing needs for the full diversity of household types and income levels in the community. For the 2023-2031 Housing Element planning period, Soledad's regional housing needs allocation (RHNA) is 724 units, of which 100 should be affordable to very low-income households, 65 affordable to low-income households, 183 affordable to moderate-income households and 376 for above moderate-income households¹³. The median household income for a family of four in Monterey County is \$100,400 in 2023 according to the State of California Housing and Community Development Department (HCD).

At present, only a small percentage of the city's for-sale housing stock would be affordable to a median income household, depending on variables such as required down payments, interest rates, etc. Moreover, as noted above, the median sale price for a single-family home in Soledad was \$590,000 between March 2022 and April 2023, a price that would present affordability challenges for most existing Soledad households. The average rental rate of

¹³ https://www.ambag.org/sites/default/files/2022-09/PDFA_AMBAG%20RHNA%202023-2031_Final%20Plan_091522V4.pdf

\$1,050 is more accessible to a broader range of households, but it should be noted that this reflects an extremely limited inventory of current rental housing options.

According to data from annual progress reports submitted to HCD by the city, no new housing serving moderate- and lower-income households was produced during the previous 2015-2022 planning period, while 370 percent of above moderate-income housing need was met. However, according to the 2015-2023 Housing Element for Soledad, the conditions of approval for the annexation of the Miravale IIB area require that 29 of the 100 proposed multifamily units be reserved for very low- and low-income households, and another 25 be reserved for moderate income households.

Retail Market Overview

Taxable Sales Trends

Based on taxable sales data published by the State of California Department of Tax and Fee Administration (CDTFA), per capita retail and food services spending in Soledad is lower than in Monterey County overall, representing a potential opportunity for Soledad to capture retail sales that are currently “leaking” from the city.¹⁴ As shown in Table 17 below, in 2022 Soledad had taxable retail sales per capita of \$5,300 compared to Monterey County’s overall taxable retail per capita sales of \$15,344. Among the retail sales subcategories reported, Soledad has large shares of spending in gasoline stations (36.7 percent or \$1,993 per capita) and food services and drinking places (23.7 percent or \$1,287 per capita) categories. As the largest single category of taxable sales, gasoline stations are an especially important driver of economic development and sales revenue for the City. Soledad saw minimal consumer spending in the home furnishings and appliance category, which makes up only 0.7 percent of the city’s taxable sale or approximately \$40 per capita. For the ten retail subcategories in Monterey County, motor vehicles and parts dealers and food services and drinking places have the highest taxable sales per capita, at \$2,751 and \$2,652 per capita, respectively.

¹⁴ It should be noted, however, that the county sales are boosted by visitor spending, especially in the coastal areas of the county.

Table 17: Taxable Sales by Category, 2022

Category	City of Soledad			Monterey County		
	Number	Percent	Per Capita (a)	Number	Percent	Per Capita (a)
Motor Vehicle and Parts Dealers	\$7,647,607	7.7%	\$417	\$1,137,189,789	12.3%	\$2,751
Home Furnishings & Appliance Stores	\$731,618	0.7%	\$40	\$231,396,115	2.5%	\$560
Bldg. Matrl. and Garden Equipment	(b)	n.a.	n.a.	\$570,881,321	6.2%	\$1,381
Food and Beverage Stores	\$15,999,516	16.1%	\$873	\$407,945,625	4.4%	\$987
Gasoline Stations	\$36,503,904	36.7%	\$1,993	\$793,551,181	8.6%	\$1,920
Clothing & Clothing Accessories Stores	\$5,079,741	5.1%	\$277	\$457,737,808	4.9%	\$1,107
General Merchandise Stores	(b)	n.a.	n.a.	\$711,454,205	7.7%	\$1,721
Food Services and Drinking Places	\$23,580,328	23.7%	\$1,287	\$1,096,202,864	11.8%	\$2,652
Other Retail Group	\$7,555,245 (c)	7.6%	\$412	\$932,235,567	10.0%	\$2,255
Subtotal, All Retail and Food	\$97,097,959	97.6%	\$5,300	\$6,338,594,475	68.3%	\$15,334
All Other Outlets	\$2,406,056	2.4%	\$131	\$2,939,593,197	31.7%	\$7,111
Total, All Outlets	\$99,504,015	100.0%	\$5,432	\$9,278,187,672	100.0%	\$22,446

Notes:

(a) Based on 2022 household population estimates published by the Department of Finance. Excludes group quarters population to avoid counting the prison population.

(b) Sales not shown because their publication would result in the disclosure of confidential information. The sales in this category have been combined with the Other Retail Group.

(c) Adjusted to include categories that were not disclosed above.

Sources: California Department of Tax and Fee Administration (CDTFA); California Department of Finance; BAE, 2023.

Retail Supply Trends

The retail market in Soledad is currently comprised of a mix of local- and visitor-serving retail, food & beverage, and entertainment businesses located primarily in the Downtown core as well as in three shopping centers arrayed along Highway 101 and Front Street. CoStar provides data for 388,865 square feet of retail inventory in Soledad as of the 4th quarter of 2022. As shown in Table 18 below, CoStar reports lower vacancy rates and higher lease rates for retail uses in Soledad compared to Monterey County as a whole. It is important to note, however, that this data may not adequately capture recent development and leasing activity in Soledad, particularly as it relates to the Soledad Marketplace.

Soledad Marketplace. Located on a 13.6-acre site southeast of the intersection of Nestles Road and Los Coches Road, the Soledad Marketplace represents a major expansion of the retail inventory in Soledad. At full occupancy, the marketplace will comprise a mix of complimentary retail and services like a grocery store, fast food restaurants, coffee shops, retail services and other retail and service uses¹⁵. The ongoing development of the Soledad Marketplace has the potential for fundamentally repositioning Soledad as a sub-regional retail destination.

¹⁵ <https://www.loopnet.com/Listing/401-Nestles-Rd-Soledad-CA/27434681/>

Downtown Container Village. To capture sales that are leaving the community as well as to provide an attraction for visitors, the City is proposing to develop a container village on several city-owned parcels comprising 0.75 acres of land in Downtown Soledad. Currently in the planning stages, this development would consist of approximately 12 containers and include space for restaurants, drinks, retail, and an outdoor stage. Another component the city is considering is a community kitchen similar to El Pájaro Community Development Corporation’s commercial kitchen incubator for emerging food entrepreneurs¹⁶. These uses would complement the existing broad range of retail downtown, which includes a mix that still includes convenience uses such as a drug store and supermarkets despite the competition from the shopping centers at the south end of the city.

Office Real Estate Market Overview

CoStar reports 41,731 square feet of office inventory in Soledad. Due to lack of data related to the extremely limited supply in the city, the average gross office rent in Soledad is unavailable as of 2022. In Monterey County, there are an estimated 8.9 million square feet of office space. Between 2012 and 2022, asking gross rents increased by 19.1 percent countywide, and there has been a positive net absorption rate overall, except for the most recent year; from 2021 to 2022, CoStar reports a negative net absorption rate in Monterey County, possibly due to the COVID-19 impacts and teleworking trends.

Table 18: CoStar Retail Market Overview, Q4 2022

Retail Summary	City of Soledad	Monterey County
Total Inventory (sq. ft.), Q4 2022	388,865	19,204,817
Direct Vacant Stock (sq. ft.)	2,400	617,234
Direct Vacancy Rate	0.6%	3.2%
Avg. Asking NNN Direct Rents		
Avg. Asking NNN Rent per sq. ft., Q4 2012	\$18.00	\$17.53
Avg. Asking NNN Rent per sq. ft., Q4 2022 (a)	\$24.00	\$20.53
% Change, Q4 2012 - Q4 2022	33.3%	17.1%
Net Absorption		
Net Absorption (sq. ft.), Q4 2012 - Q4 2022	66,590	642,017
Net Absorption (sq. ft.), Q4 2021 - Q4 2022	50,260	13,182
New Deliveries (sq. ft.), Q4 2012 - Q4 2022	64,855	536,691
Under Construction (sq. ft.), Q4 2022	6,000	6,000

(a) No data available for Soledad for Q4 2022. Figure provided is from Q1 2023.

Sources: CoStar, 2023; BAE, 2023.

¹⁶ https://www.montereycountyweekly.com/news/local_news/soledad-seeks-to-transform-front-street-to-attract-new-businesses-to-downtown/article_4422f052-e9e6-11ed-b049-ffd05565e65.html

Table 19: Office Market Overview, Q4 2022

Office Summary	City of Soledad	Monterey County
Total Inventory (sq. ft.), Q4 2022	41,731	8,903,863
Direct Vacant Stock (sq. ft.)	-	367,887
Direct Vacancy Rate	-	4.1%
Avg. Asking Gross Direct Rents		
Avg. Asking Gross Rent per sq. ft., Q4 2012	\$15.48	\$21.10
Avg. Asking Gross Rent per sq. ft., Q4 2022	-	\$25.13
% Change, Q4 2012 - Q4 2022	n.a.	19.1%
Net Absorption		
Net Absorption (sq. ft.), Q4 2012 - Q4 2022	2,850	512,244
Net Absorption (sq. ft.), Q4 2021 - Q4 2022	0	(38,792)
New Deliveries (sq. ft.), Q4 2012 - Q4 2022	0	288,293
Under Construction (sq. ft.), Q4 2022	0	4,200

Sources: CoStar; BAE, 2023.

Industrial Real Estate Market Overview

CoStar reports only 154,327 square feet of industrial inventory in Soledad. Due to lack of data for the city, average full service industrial lease data is unavailable as of 2022. In Monterey County, the industrial market appears to remain strong despite COVID-19 impacts. Average asking rents increased by 130 percent and roughly 1.9 million square feet of industrial space was absorbed between 2012 and 2022.

Table 20: Industrial Market Overview, Q4 2022

Industrial Summary	City of Soledad	Monterey County
Total Inventory (sq. ft.), Q4 2022	154,327	21,947,084
Direct Vacant Stock (sq. ft.)	-	333,967
Direct Vacancy Rate	-	1.5%
Avg. Asking All Service Type Direct Rent		
Avg. Asking All Svc Type Rent per sq. ft., Q4 2012	\$7.18	\$5.30
Avg. Asking All Svc Type Rent per sq. ft., Q4 2022	-	\$12.21
% Change, Q4 2012 - Q4 2022	n.a.	130.4%
Net Absorption		
Net Absorption (sq. ft.), Q4 2012 - Q4 2022	0	1,911,682
Net Absorption (sq. ft.), Q4 2021 - Q4 2022	0	11,181
New Deliveries (sq. ft.), Q4 2012 - Q4 2022	0	574,688
Under Construction (sq. ft.), Q4 2022	0	0

Sources: CoStar; BAE, 2023.

PROJECTED GROWTH AND LAND USE DEMAND

Based on the demographic and economic analysis presented above, and considering real estate market conditions, BAE developed a series of land use demand projections that illustrate the potential range in demand that the city may reasonably expect to experience for residential, retail, office, and industrial uses between 2020 and 2045.

Residential Demand Projections

To prepare the land use demand projections for the purposes of the General Plan Update, this analysis leverages estimates from the U.S. Census Bureau (Census), the California Department of Transportation (Caltrans), EDD and AMBAG.

In some cases, certain assumptions were needed to operationalize the data and facilitate preparation of the demand projections. For example, the high growth scenario applies the growth rate observed in Soledad for the period from 2010 to 2020 of 1.9 percent per year. However, this rate greatly exceeds projected population growth countywide and is unlikely to be sustained over the full general plan time horizon. Therefore, the projections assume that growth will begin to taper off starting in 2030, with growth slowly converging on the countywide growth rate by 2045. A similar approach is used for the medium and low growth scenarios.

All residential demand scenarios are based on household population, recognizing that the size of the group quarters population living in Soledad is primarily a function of actions taken by the California Department of Corrections. The projections then convert household population to households based on an assumed average household size that is assumed to be decreasing over time, consistent with historical trends. The projections then convert households to housing units based on an assumed vacancy rate that is benchmarked to the 2020 Census but assumed to then converge on a structural vacancy rate of around three percent, which is considered healthy for a predominantly single-family ownership housing market like that of the City of Soledad.

Table 21 on the following page summarizes projected new housing unit demand through 2045 under the three projection scenarios. The high growth scenario is based on the growth rate observed between the 2010 Census and the 2020 Census and indicates that Soledad may experience demand sufficient to absorb approximately 1,765 new housing units through 2045. The medium growth scenario is based on projected growth in the household population as projected by AMBAG and indicates possible demand for approximately 857 new housing units. The low growth scenario assumes that growth in the household population will track with historical growth in the local employment base and indicates a low-end demand estimate for around 544 new housing units.

Table 21: Household Population and Housing Unit Forecast Scenarios, 2020-2045

	2020 (b)	2025	2030	2035	2040	2045	Total Change		
							Number	Percent	Rate
High Growth Scenario (c)									
Household Population	18,800	20,615	22,606	24,100	24,974	25,154	6,354	33.8%	1.2%
Households (d)	4,447	4,901	5,401	5,787	6,027	6,100	1,653	37.2%	1.3%
Housing Units (e)	4,524	4,996	5,519	5,928	6,193	6,289	1,765	39.0%	1.3%
AMBAG Growth Scenario (f)									
Household Population	18,800	19,572	20,376	20,981	21,366	21,520	2,720	14.5%	0.5%
Households (d)	4,447	4,653	4,868	5,038	5,156	5,219	772	17.4%	0.6%
Housing Units (e)	4,524	4,743	4,974	5,161	5,298	5,380	857	18.9%	0.7%
Low Growth Scenario (g)									
Household Population	18,800	19,186	19,580	19,894	20,126	20,270	1,470	7.8%	0.3%
Households (d)	4,447	4,561	4,678	4,777	4,857	4,916	469	10.5%	0.4%
Housing Units (e)	4,524	4,650	4,780	4,894	4,990	5,068	544	12.0%	0.5%

Notes:

(a) For the purposes of the Soledad 2045 General Plan, the population growth forecast is limited to the population residing within households and excludes the group quarters population. This is because the size of the group quarters population in Soledad is a function of actions being taken by the California Department of Corrections which are outside of the control of the City of Soledad which are not impacted by and do not impact land use decisions and development patterns within the City of Soledad.

(b) The household population and households forecast for the Soledad 2045 General Plan are benchmarked to the 2020 Decennial Census. Note, however, that the 2020 Decennial Census base year values may differ from the base year estimates used in projection sets published by other entities.

(c) Represents the high-end growth projection scenario wherein growth between 2020 and 2030 is indicative of the growth rate among the household population experienced in Soledad between the 2010 and 2020 Decennial Census'. Growth then tapers off to match countywide growth as forecast by the California Department of Finance (DOF) from 2030 through 2045.

(d) Assumes the following change in average household size over time:

	2020	2025	2030	2035	2040	2045
Average Household Size	4.23	4.21	4.19	4.16	4.14	4.12

(e) Assumes the following change in assumed average vacancy within the local housing market:

	2020	2025	2030	2035	2040	2045
Average Housing Vacancy	1.7%	1.9%	2.1%	2.4%	2.7%	3.0%

(f) Represents a medium growth projection scenario wherein growth between 2020 and 2030 is indicative of the growth rate forecast by AMBAG. Growth then tapers off to match countywide growth as forecast by the California Department of Finance (DOF) from 2030 through 2045.

(g) Represents a medium growth projection scenario wherein growth between 2020 and 2035 aligns with the historical rate of growth in the local employment sector, as estimated by the California Employment Development Department (EDD). Growth then tapers off to match countywide growth as forecast by the California Department of Finance (DOF) from 2030 through 2045.

Sources: U.S. Census, Decennial Census 2010, table P1, P42, H2, and H4; Decennial Redistricting Data (PL 94-171) 2020, table P1, P5, and H1; California Department of Finance, Table E5, Table P-3; Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast; California Department of Transportation, BAE, 2023.

Non-Residential Demand Projections

Similar to the residential land use demand projections presented above, BAE developed three alternative forecasts for long-term employment growth in Soledad. The high-end growth scenario assumes that jobs growth in Soledad will track with countywide employment growth as forecast by Caltrans. In other words, Soledad will maintain its current share of countywide employment. The medium growth scenario assumes that jobs growth will occur at a rate comparable to that observed for the 2016 to 2021 period (i.e., the only period for which city-level jobs estimates are currently available). The low growth scenario assumes that Soledad will add jobs at a rate of 0.2 percent per year, as projected by AMBAG. For all three scenarios, BAE allocated projected jobs growth by industry using a classical shift-share method. Using this approach, BAE estimates that Soledad may experience demand for between 276 and 867 new jobs between 2021 and 2045, as shown in Appendix A. This is equal to between 11 and 36 new jobs per year.

Based on the employment forecast, BAE estimated the amount of new non-residential development that the Soledad market may support over the General Plan time horizon. After accounting for existing vacancy and planned development, BAE estimates that Soledad may experience demand for between 7,700 and 21,500 square feet of new office development and between 27,900 and 47,800 square feet of new retail development. Due to the nature of the market, these two categories may overlap in form (e.g., strip retail is often used for retail as well as office uses). As displayed in Table 22, Soledad may also experience demand for between 57,500 and 137,500 square feet of new industrial development by 2045. However, please note that the employment forecast anticipates a continued contraction in the manufacturing sector in Soledad along with continued expansion of agricultural employment. The land use demand forecast assumes that 20 percent of new agricultural employment is associated with more value-added activities, like packaging and food processing, which require developed indoor space.

Table 22: Non-Residential Land Use Demand Forecast, 2021-2045

Existing Conditions	Office	Retail	Industrial
Existing Square Footage, Q4 2022	41,731	388,865	154,327
<i>Existing Vacant Inventory</i>	0	7,929	0
<i>Vacancy Rate, Q4 2022</i>	0%	2%	0%
Square Feet In Development	0	6,000	0
Occupied Square Footage, Q4 2022	41,731	380,936	154,327
<i>Long-Term Vacancy Allowance</i>	7.5%	7.5%	8.0%
Target Inventory in Balanced Market	45,115	411,823	167,747
Square Footage Surplus/(Deficit) (a)	(3,384)	(16,958)	(13,420)
Commercial Demand Scenarios, 2045	Low	Medium	High
Office Demand			
New Employment (b)	16	40	67
Employment Density (Sq.Ft./worker)	250	250	250
Gross Square Feet Demanded	3,947	10,034	16,747
Plus: Long-Term Vacancy Allowance	7.5%	7.5%	7.5%
Existing Unit Surplus/(Deficit)	(3,384)	(3,384)	(3,384)
Net New Square Feet Demanded	7,651	14,231	21,489
	Low	Medium	High
Retail Demand			
New Employment (c)	20	39	57
Employment Density (Sq.Ft./worker)	500	500	500
New Square Footage Demanded	10,126	19,467	28,535
Plus: Long-Term Vacancy Allowance	7.5%	7.5%	7.5%
Existing Unit Surplus/(Deficit)	(16,958)	(16,958)	(16,958)
Net New Square Feet Demanded	27,905	38,003	47,806
	Low	Medium	High
Industrial Demand			
New Employment (d)	41	78	115
Employment Density (Sq.Ft./worker)	1,000	1,000	1,000
New Square Footage Demanded	40,734	78,307	114,784
Plus: Long-Term Vacancy Allowance	7.5%	7.5%	7.5%
Existing Unit Surplus/(Deficit)	(13,420)	(13,420)	(13,420)
Net New Square Feet Demanded	57,457	98,076	137,510

Notes:

(a) The estimated surplus or deficit of developed square footage is based on the occupied square footage plus a functional vacancy allowance which is equal to the estimated inventory that would be needed to satisfy existing demand while providing enough vacancy to allow for new businesses/tenants to enter the market without development of additional space. This is then compared to the total existing inventory of developed space plus the current pipeline of new space that is under development.

(b) Includes new jobs forecast in finance and insurance, real estate and leasing, information, professional services, business management, administrative and support services, education, health care, and social assistance.

(c) Includes new jobs forecast in the retail trade sector.

(d) Includes new jobs forecast in construction, manufacturing, utilities, warehousing and transportation, and wholesale trade, as well as 20 percent of projected employment in agriculture.

Sources: Quarterly Census of Employment and Wages (QCEW), US Bureau of Labor Statistics, 2021; California Department of Transportation, 2022 Long-Term Socio-Economic Forecasts by County; Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast; CoStar; BAE, 2023.

APPENDIX A: EMPLOYMENT FORECAST BY MAJOR INDUSTRY SECTOR, CITY OF SOLEDAD, 2021-2045

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High Growth Scenario (a)								
NAICS Industry Sector	2021	Forecast					Change	
		2025	2030	2035	2040	2045	Number	Rate
11, 21 Agriculture, Forestry, and Mining	1,586	1,843	2,173	2,500	2,837	3,183	1,597	2.9%
23 Construction	22	28	37	45	53	62	40	4.4%
22, 31- Manufacturing, Utilities, Transportation 33, 42, 48- and Warehousing, and Wholesale Trade 49	340	301	250	200	148	95	(245)	-5.2%
44-45 Retail Trade	261	267	276	284	292	301	40	0.6%
52 Finance and Insurance	34	35	36	37	37	38	4	0.5%
53 Real Estate and Rental and Leasing	39	39	39	39	39	39	0	0.0%
51, 54, 55 Information, Professional Services, and Business Management	17	11	4	4	4	4	(13)	-5.9%
56 Administrative and Support and Waste Management and Remediation Services	41	42	44	46	48	50	9	0.8%
61, 62 Education, Health Care, and Social Assistance	142	153	167	180	194	209	67	1.6%
71, 72 Arts, Entertainment, Accommodation, and Food Services (b)	218	221	224	228	231	235	17	0.3%
Government	2,890	2,785	2,651	2,518	2,381	2,240	(650)	-1.1%
81, 99 Other Services and Unclassified	27	27	27	27	27	27	0	0.0%
Total, All Industries (c)	5,616	5,752	5,927	6,107	6,292	6,483	867	0.6%
<i>New Jobs</i>	<i>n.a.</i>	<i>136</i>	<i>175</i>	<i>180</i>	<i>185</i>	<i>191</i>		

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Notes:

- (a) The high growth scenario assumes an average annual growth rate of 0.6 percent which aligns with the countywide employment growth rate as forecast by Caltrans. Jobs growth is then allocated by industry sector using a classical shift-share method.
- (b) Additional adjustments were made to the Arts Entertainment, Accommodation, and Food Service Sector recognizing that the shift-share method relied on data for the period from 2016 to 2021, which includes the first two years of the global Coronavirus pandemic.
- (c) Figures may not sum to totals due to rounding.

Sources: Quarterly Census of Employment and Wages (QCEW), US Bureau of Labor Statistics, 2021; California Department of Transportation, 2022 Long-Term Socio-Economic Forecasts by County; Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast; BAE, 2023.

Appendix A, continued: Employment Forecast by Major Industry Sector, City of Soledad, 2021-2045

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Medium Growth Scenario (d)

NAICS Industry Sector	2021	Forecast					Change	
		2025	2030	2035	2040	2045	Number	Rate
11, 21 Agriculture, Forestry, and Mining	1,586	1,797	2,015	2,237	2,454	2,676	1,090	2.2%
23 Construction	22	27	33	38	44	49	27	3.4%
22, 31- Manufacturing, Utilities, Transportation 33, 42, 48- and Warehousing, and Wholesale Trade 49	340	308	274	240	207	173	(167)	-2.8%
44-45 Retail Trade	261	266	272	277	283	288	27	0.4%
52 Finance and Insurance	34	35	35	36	36	37	3	0.4%
53 Real Estate and Rental and Leasing	39	39	39	39	39	39	0	0.0%
51, 54, 55 Information, Professional Services, and Business Management	17	12	7	3	3	3	(14)	-7.7%
56 Administrative and Support and Waste Management and Remediation Services	41	42	43	45	46	47	6	0.6%
61, 62 Education, Health Care, and Social Assistance	142	151	160	169	178	188	46	1.2%
71, 72 Arts, Entertainment, Accommodation, and Food Services	218	220	223	225	227	230	12	0.2%
Government	2,890	2,804	2,716	2,625	2,537	2,447	(443)	-0.7%
81, 99 Other Services and Unclassified	27	6	6	6	6	6	(21)	-6.2%
Total, All Industries (a)	5,617	5,707	5,822	5,940	6,060	6,182	565	0.4%
<i>New Jobs</i>	<i>n.a.</i>	<i>90</i>	<i>115</i>	<i>117</i>	<i>120</i>	<i>122</i>		

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Notes:

(d) The medium growth scenario assumes an average annual growth rate of 0.4 percent which aligns with the observed jobs growth in the City of Soledad between 2016 and 2021.

Sources: Quarterly Census of Employment and Wages (QCEW), US Bureau of Labor Statistics, 2021; California Department of Transportation, 2022 Long-Term Socio-Economic Forecasts by County; Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast; BAE, 2023.

Appendix A, continued: Employment Forecast by Major Industry Sector, City of Soledad, 2021-2045

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AMBAG Growth Scenario (e)

NAICS Industry Sector	2021	Forecast					Change	
		2025	2030	2035	2040	2045	Number	Rate
11, 21 Agriculture, Forestry, and Mining	1,586	1,691	1,824	1,932	2,042	2,153	567	1.3%
23 Construction	22	25	28	31	33	36	14	2.1%
22, 31- Manufacturing, Utilities, Transportation 33, 42, 48- and Warehousing, and Wholesale Trade 49	340	324	304	287	270	253	(87)	-1.2%
44-45 Retail Trade	261	264	267	270	272	275	14	0.2%
52 Finance and Insurance	34	34	35	35	35	36	2	0.2%
53 Real Estate and Rental and Leasing	39	39	39	39	39	39	0	0.0%
51, 54, 55 Information, Professional Services, and Business Management	17	15	12	9	7	4	(13)	-5.5%
56 Administrative and Support and Waste Management and Remediation Services	41	42	42	43	44	44	3	0.3%
61, 62 Education, Health Care, and Social Assistance	142	146	152	156	161	166	24	0.6%
71, 72 Arts, Entertainment, Accommodation, and Food Services	218	219	221	222	223	224	6	0.1%
Government	2,890	2,847	2,793	2,749	2,705	2,659	(231)	-0.3%
81, 99 Other Services and Unclassified	27	16	3	3	3	3	(24)	-8.6%
Total, All Industries (a)	5,616	5,661	5,718	5,775	5,833	5,892	276	0.2%
<i>New Jobs</i>	<i>n.a.</i>	<i>45</i>	<i>57</i>	<i>57</i>	<i>58</i>	<i>59</i>		

Notes:

(e) The low growth scenario assumes an average annual growth rate of 0.2 percent which aligns with forecast published by the Association of Monterey Bay Area Governments (AMBAG).

Sources: Quarterly Census of Employment and Wages (QCEW), US Bureau of Labor Statistics, 2021; California Department of Transportation, 2022 Long-Term Socio-Economic Forecasts by County; Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast; BAE, 2023.